

# Exhibit A



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## The History of Bitcoin, the First Cryptocurrency

There have been many ups and downs in Bitcoin's relatively short history.

By [Wayne Duggan](#)

Aug. 31, 2022

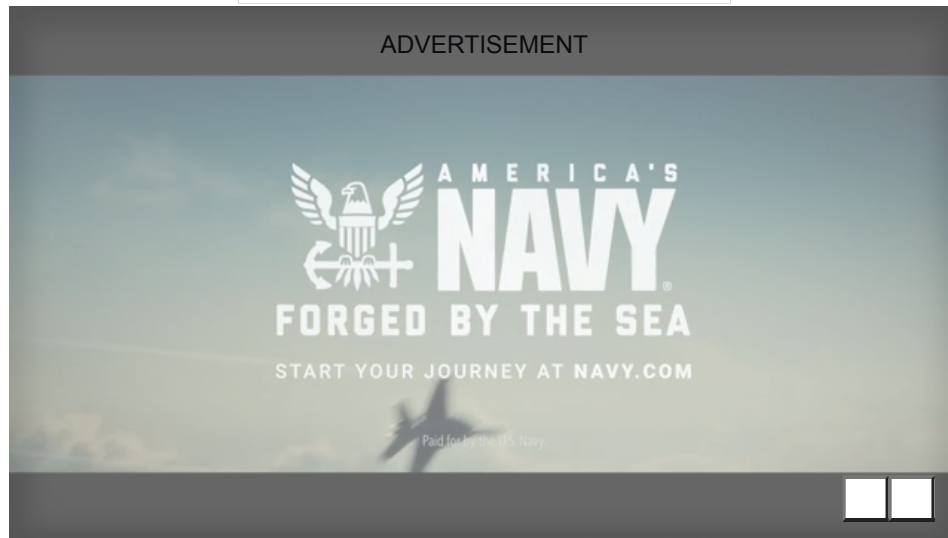


In 2010, Bitcoin first became available to buy, sell and trade on online exchanges.  (DAN KITWOOD/GETTY IMAGES)

[Bitcoin \(BTC\)](#) was the first [cryptocurrency](#) ever created back in 2009, and it remains the most popular and valuable digital [currency](#) in the world today. Bitcoin is a [blockchain](#)-

based decentralized digital currency powered by a network of users who verify and record transactions without relying on a central authority or intermediary.

Bitcoin is an alternative to fiat currencies, such as the U.S. dollar, that are controlled by governments and central banks. Transactions are verified via a process known as a proof-of-work consensus mechanism. [Bitcoin miners](#) compete to verify transactions by solving complex mathen



Some Bitcoin enthusiasts simply see the crypto as a fun asset for trading and speculation, while others believe it could ultimately become the universal currency of the digital world. There's no question Bitcoin has had a meteoric rise in popularity since its inception, but the first 13 years have also exposed several key flaws and shortcomings of the world's most popular digital asset.

Here's an overview of several of the key eras in Bitcoin's brief history and how they may affect its future:

- When did Bitcoin start?
- Bitcoin price history.
- 2022 Bitcoin crypto winter.
- Bitcoin price predictions.

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## When Did Bitcoin Start?

It's no coincidence that Bitcoin was born during one of the most chaotic financial environments in U.S. history. During the global financial crisis of 2007 to 2009, distrust of [banks](#) and central governments was at a peak.

Bitcoin was created in 2009 by a person or group of people using the pseudonym Satoshi Nakamoto, the name which appeared on the original 2008 Bitcoin white paper that first described the blockchain system that would serve as the backbone of the entire cryptocurrency market.

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Over the years, several people have stepped forward claiming to be the real Satoshi Nakamoto, but none could provide sufficient evidence to support their claims.



The Bitcoin blockchain was officially launched when the first Bitcoin block, the genesis block, was created on Jan. 3, 2009. In the first seven months following Bitcoin's launch, Satoshi reportedly mined up to 1.1 million Bitcoins. At August 2022 prices, those coins would now be worth about \$22 billion.

Joshua Peck, founder and chief investment officer of cryptocurrency [hedge fund](#) TrueCode Capital, says early Bitcoin enthusiasts were captivated with its design, even if they weren't exactly certain of what it was going to actually be.

"It had some economic value, but I was looking at it more from an engineering perspective thinking that we could use it for secure message passing or getting strong cryptography into the hands of everyday users, so the financial value was somewhat secondary," Peck says.

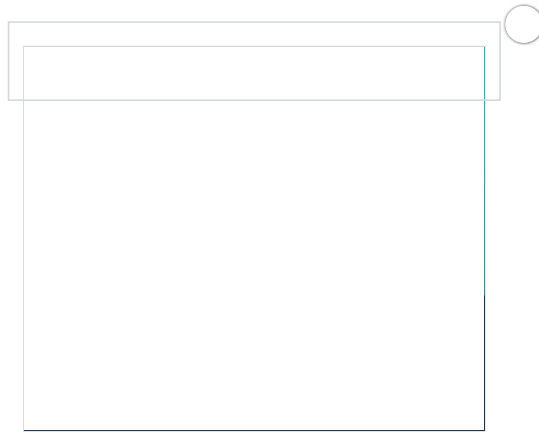
The first reported real-world financial transaction involving Bitcoin took place on May 22, 2010, when a Florida man negotiated to pay 10,000 BTC for two Papa John's pizzas priced at about \$25. That transaction valued the price of one Bitcoin at roughly a fourth of a cent. To this day, the Bitcoin community celebrates Pizza Day on May 22.

"Over time, the financial value became more broadly understood and, of course, today it has become the cornerstone of the fastest-growing asset class of my generation," Peck says.

## Bitcoin Price History

Bitcoin first became available to buy, sell and trade on online exchanges in 2010. In April 2011, the price of Bitcoin crossed the \$1 threshold for the first time.

Bitcoin also faced its first competition in the crypto space in 2011. [Litecoin \(LTC\)](#) was launched in October 2011. The [Ethereum](#) blockchain went live several years later in 2015.



As Bitcoin's price continued to rise, so too did its visibility, popularity and volatility. By November 2013, Bitcoin prices reached \$1,000. Bitcoin prices and trading volumes really started to snowball in late 2017 – with prices hitting \$10,000 per coin for the first time in November 2017 – and reached about \$20,000 in December 2017.

One of the driving forces behind the parabolic rise in Bitcoin prices was an announcement by CME Group Inc. (ticker: [CME](#)) that it would be launching Bitcoin [futures](#) contracts in December 2017. These contracts represented the first Bitcoin-related financial product offered by a regulated U.S. financial institution.

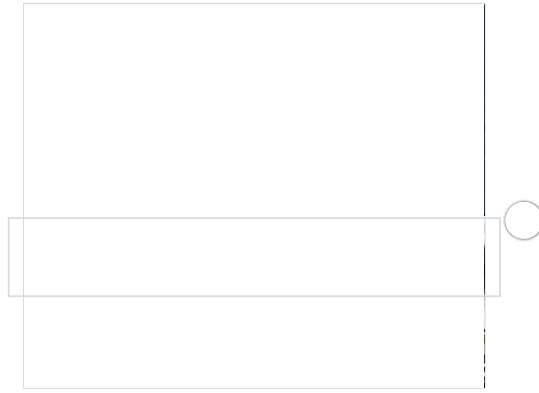
Jarek Hirniak, founder and CEO of Generation Lambda, says Bitcoin followed a common innovation trajectory known as the Gartner Hype Cycle. According to the model, as a new technology such as Bitcoin gains visibility, expectations initially soar to an unreasonably high level.

"At first, most people ignore it, and then suddenly everyone gets more excited until it becomes obvious that promises can't keep up with reality," Hirniak says.

"Such a situation and lack of [liquidity](#), combined with little regulation, made it ripe for market manipulation."

In late 2017, excitement, hype and a crypto market frenzy created the perfect storm for an asset bubble. Many startups took advantage of the cryptocurrency boom to raise money via [initial coin offerings](#), or ICOs. In 2017 and 2018, more than 800 ICOs raised roughly \$20 billion in funding. The ICO space was plagued by outright frauds and scams, and the value of many of these ICO tokens collapsed within a year.

By the end of 2018, the bursting of the crypto bubble had dragged Bitcoin prices back down to less than \$4,000 per coin.



[ [SEE: 7 of the Best Cryptocurrencies to Buy Now.](#) ]

## 2022 Bitcoin Crypto Winter

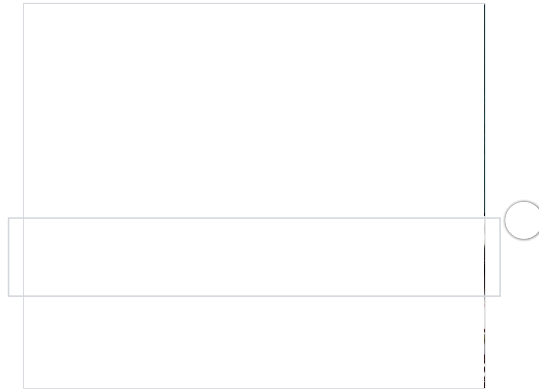
The next major boom in Bitcoin popularity came during the COVID-19 pandemic in late 2020. Extended shutdowns of entertainment and leisure businesses such as sports and casinos coupled with multiple rounds of government economic stimulus payments left many younger Americans with extra disposable income and time on their hands, which helped fuel another surge in Bitcoin prices in late 2020.

The ProShares Bitcoin Strategy ETF ([BITO](#)), the first Bitcoin [exchange-traded fund](#), or ETF, to launch on a major U.S. [exchange](#), began trading in October 2021. The BITO ETF launch was followed by several other cryptocurrency futures ETF launches, including the Valkyrie Bitcoin Strategy ETF ([BTF](#)), the VanEck Bitcoin Strategy ETF ([XBTF](#)) and the Global X Blockchain & Bitcoin Strategy ETF ([BITS](#)).

Bitcoin broke out to new all-time highs of more than \$20,000 in December 2020 and eventually made it as high as \$68,990 in November 2021.

Unfortunately, persistently elevated [inflation](#) prompted the [Federal Reserve](#) to begin aggressively tightening monetary policy in early 2022, triggering sharp sell-offs in cryptocurrencies and other risky assets. To make matters worse, the sharp declines in crypto prices in early 2022 triggered a liquidity crisis that led to the collapse of the \$10 billion crypto hedge fund Three Arrows Capital and the [bankruptcies](#) of crypto lenders Celsius and Voyager Digital.

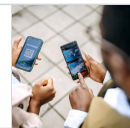
Crypto market volatility also led to the \$60 billion [collapse](#) of Luna and its associated [stablecoin](#) Terra USD (UST) and caused the world's largest stablecoin Tether (USDT) to briefly lose its peg to the U.S. dollar in May 2022.



Omid Malekan, author and adjunct professor at Columbia Business School, says the rapid rise in crypto prices in 2021 along with aggressive central bank tightening set the 2022 crypto winter in motion.

"The collapse of Luna and UST blew a hole in the balance sheet of major players and led to cascading failures of crypto lenders like Celsius and over-leveraged hedge funds, accelerating declines," Malekan says.

**Will Regulation Affect Crypto Prices?**



## Bitcoin Price Predictions

As of this writing, one Bitcoin is worth about \$20,000. Its value is well off its 2021 high of more than \$68,000, but it is still higher than its 2018 lows of less than \$4,000.

Even after its 2022 sell-off during the crypto winter, Bitcoin remains one of the best-performing financial assets over the long term. However, Bitcoin's extreme volatility remains a hurdle if it is ever going to gain acceptance as a truly universal currency.

At this point, Bitcoin remains a high-risk speculative investment, and there is no clear way to assess its intrinsic value or predict where its price is headed next. Still, Bitcoin bulls remain convinced that the future is bright for the world's preeminent cryptocurrency.

"It's hard to predict the future – particularly for something as volatile as Bitcoin – but so long as general adoption continues, digital assets of all kinds normalize further and regulators create sensible guardrails, then prices should appreciate in the long run," Malekan says.

## 7 Best Cryptocurrency Exchanges





**Updated on Aug. 31, 2022:** This story was published at an earlier date and has been updated with new information.

**Tags:** money, investing, bitcoin, cryptocurrency, blockchain, altcoin, CME Group

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